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FISCAL IMPACT REPORT

ORIGINAL DATE 2/05/06

SPONSOR Pinto LAST UPDATED _____ HB _____

SHORT TITLE Sheep Springs Center as Official State Center SB 619

ANALYST Earnest

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY06	FY07		
	\$128.0	Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY06	FY07	FY08	3 Year Total Cost	Recurring or Non-Rec	Fund Affected
Total		(\$0.1)	(\$0.1)	(\$0.1)	Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From
Tourism Department (TD)

SUMMARY

Synopsis of Bill

Senate Bill 619 declares the welcome center in Sheep Springs to be an official state welcome center and appropriates \$128 thousand from the general fund to the Tourism Department to begin operation of the center.

FISCAL IMPLICATIONS

The appropriation of \$128 thousand contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of fiscal year 2007 shall revert to the general fund.

There would be significant operating budget impact for Tourism Department to continue operations beyond fiscal year 2007.

SIGNIFICANT ISSUES

TD reports that it currently operates a temporary Visitor Information Center in the Manuelito rest area, located on Interstate 40 at exit 3. TD and the Department of Transportation are currently designing and constructing a 9,500 sq. ft. permanent building to house the new Manuelito State Visitor Information Center, tentatively scheduled to open in Spring 2007.

This proposed Sheep Springs Center would be located approximately 64 miles north of the state-operated center at the Manuelito rest area. Most travelers on U.S. Hwy 491 access the highway via Interstate 40 and would have stopped at the Manuelito Center on their journey northward toward Shiprock, NM. Therefore, the department finds, designation of a new visitor center in Sheep Springs would be duplicative.

ADMINISTRATIVE IMPLICATIONS

The bill does not authorize FTE for the Sheep Springs Visitor Center and the Tourism Department does not have the budget, authorized personnel, or other resources needed for a new center, particularly beyond fiscal year 2007. The administrative impact on the department would be significant.

ALTERNATIVES

TD reports that it supports the Sheep Springs Chapter community in their efforts to open a Tribal Visitor Information Center, which could provide some economic benefit to the surrounding area. However, a new State-operated tribal visitor center in Sheep Springs, NM, would be too close the existing Manuelito State Visitor Information Center. A better alternative would be to appropriate funds to the Department of Indian Affairs for support of the Navajo Nation operation of the Sheep Springs Welcome Center.

ANA/yr